



Welcome. We are pleased that you could join us today for our annual Governing Board Forum.

We have assembled a diverse group of speakers to share their experiences in higher education. And we are certain they will inspire some interesting discussion and exchange of ideas today.

Before our guest speakers begin, I want to spend a few minutes talking about higher education in Missouri.



Without a doubt, higher education has seen many changes in recent years, and we don't expect that to end any time soon.

We are surrounded by change and must respond to its effects everyday. At the same time, we must also be agents of change – working proactively at the local, state and national level to improve higher education and increase college attainment in Missouri.

## 2014 Legislative Session

### Legislation approved by the General Assembly

- Additional funding for state scholarships and grants
- Performance funding
- Capitol improvement projects
- Innovation campus tax credit
- Advisory Board for Educator Preparation
- SARA – distance learning



Few things have the potential to bring about change more than a legislative session. This year, the Missouri General Assembly approved a number of bills that will shape higher education in our state. Colleges and universities will see an increase of approximately five percent in their FY15 operating budgets, distributed in accordance with the performance funding model.

The higher education budget also included additional funding for student financial aid that will:

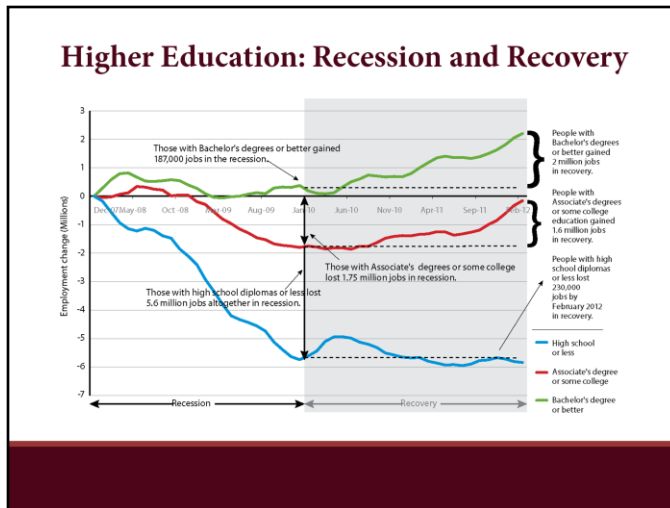
- Fully fund the Bright Flight Scholarship program
- Increase the award amounts for Access Missouri grants
- Provide funding for Missouri's A+ Scholarship program, now offered at nearly every high school in the state.

The General Assembly also approved legislation that will:

- Establish performance funding in state statute
- Create an innovation campus tax credit
- Establish an advisory board for Missouri Educator Preparation Programs
- Authorize the state to participate in the State Authorization Reciprocity Agreement for distance learning programs

Most of these bills still await the governor's signature. If signed into law, many of these legislative initiatives will further support our efforts to improve higher education in Missouri and help more students earn a postsecondary degree or certificate.

Legislative proposals that were not approved this session include \$500,000 to expand the Missouri College Advising Corps and a Bright Flight Expansion bill that would have established a forgivable loan program for Bright Flight students.



We need look no further than the recent recession and subsequent economic recovery to understand the changes that drive the need for a more effective higher education system.

This graph represents employment changes in the United States from 2007 to 2012. The white area on the left side of the graph represents the recession and the gray area on the right represents the recovery.

- The bottom line (in blue) shows that the number of individuals holding jobs requiring only a high school diploma or less declined by 5.6 million. Research tells us that those jobs are not coming back.
- The red line represents jobs requiring an associate degree or some college. Approximately 1.75 million jobs in this category were lost during the recession but were regained and are now once again on the rise.
- And the green line shows that jobs for people having a bachelor's or advanced degree grew by 2 million during this time period.

Clearly, the road to future employment and financial security runs through postsecondary education.

## Meeting Missouri's Workforce Needs

- Health sciences and services
- Energy
- Information technology
- Biosciences
- Advanced manufacturing
- Financial and professional services
- Transportation and logistics



Increasing the number of Missourians with a postsecondary degree is vital to meeting our state's workforce needs. But we must also consider the type and quality of the degree and how those degrees translate into employment opportunities.

The Missouri Department of Economic Development has identified seven areas as essential to the workforce and economic development.

Those areas include:

- Health sciences and services
- Energy
- Information technology
- Biosciences
- Advanced manufacturing
- Financial and professional services
- Transportation and logistics

Many of the jobs in these categories are classified as STEM occupations – focused on science, technology, engineering and math. More than 90 percent of the STEM jobs in Missouri require education and experience beyond high school – 70 percent require a bachelor's degree or higher.

One of our breakout discussion groups this afternoon will address the importance of aligning higher education with our state's economic and workforce needs.



We understand all too well that our state faces a number of challenges as we work to increase the percentage of Missourians with a postsecondary degree.



By the year 2018, about 60 percent of all jobs in Missouri will require a postsecondary certificate or degree.

Our goal – Missouri’s Big Goal for Higher Education – is for 60 percent of the adult working population in Missouri to have a professional certificate or a two-year or four-year degree by the year 2025.

Public opinion strongly supports our efforts. Despite the ongoing debate about the value of a college degree, Americans continue to believe in the benefits of higher education.

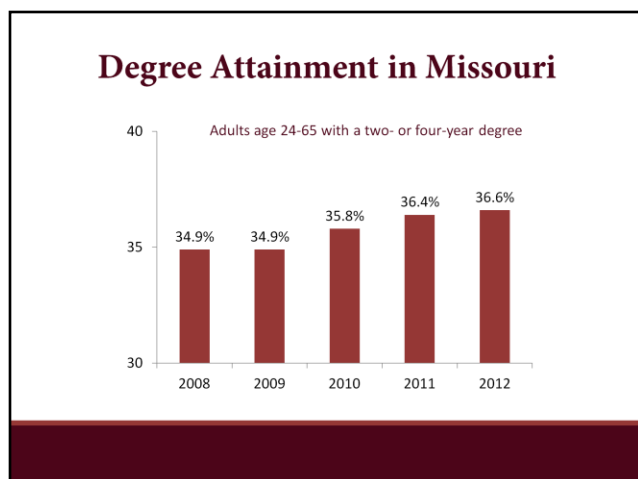
According to a recent poll conducted by Gallup and the Lumina Foundation, 74 percent of Americans believe a postsecondary degree or certificate is important to attaining a better quality of life. And 90 percent believe it is important for our country to increase college attainment rates.



Currently, about 36 percent of working-age adults in Missouri has an associate or bachelor's degree. When Missourians with a professional certificate are included, the number increases to 46 percent – about 14 percent short of our 60 percent goal.

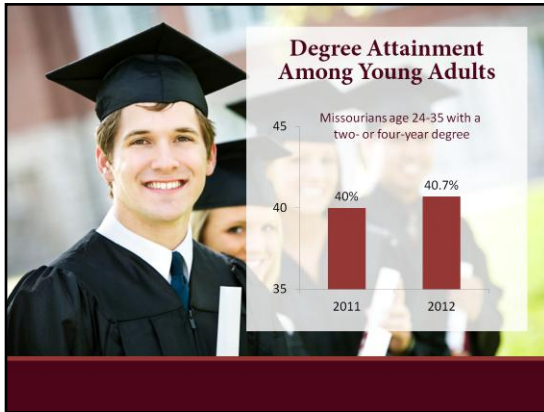
We need to increase our annual production of degrees and certificates by about 3,000 additional degrees each year – over and above the previous year – for the next 11 years to achieve our goal.





We have seen indicators that Missouri is moving in the right direction. A new report released by the Lumina Foundation this past April shows that the percentage of working-age adults in Missouri with a two- or four-year degree continues to grow – from 36.4 percent in 2011 to 36.6 percent in 2012.

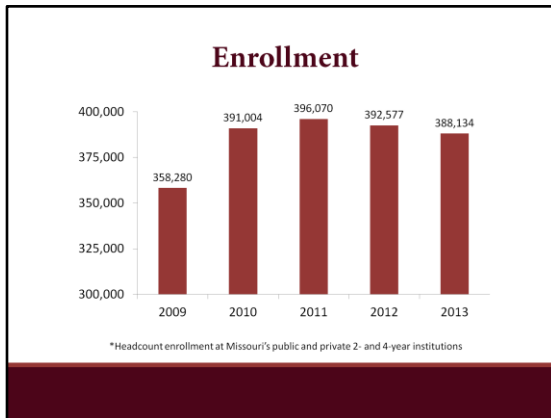
Last year, Missouri ranked six in the nation in degree growth. Even with our growing number of degrees, we still lag behind the national average of 39.4 percent.



Greater degree growth is occurring among our state's young adults. The percentage Missourians age 24-35 with a two- or four-year degree increased seven-tenths of a percent – from 40 percent in 2011 to 40.7 percent in 2012. That puts Missouri just two-tenths of a percent below the national average for this age group.

So it appears our young adults are getting the message about the importance of higher education.

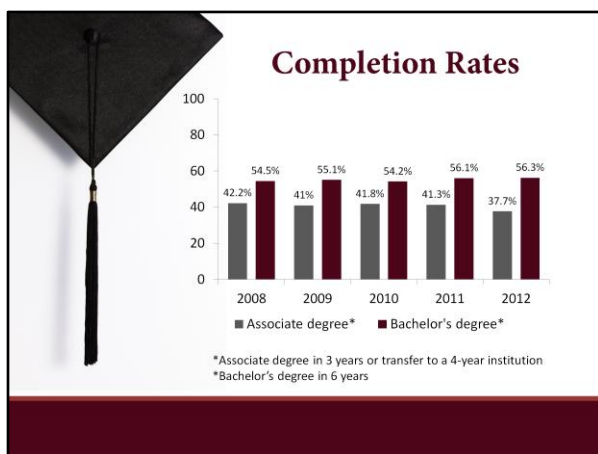
Our challenge is to maintain this momentum in order to meet the higher education needs of Missouri.



One challenge to increasing the percentage of Missourians with a postsecondary degree is declining enrollments. After years of record growth, enrollment numbers are beginning to drop.

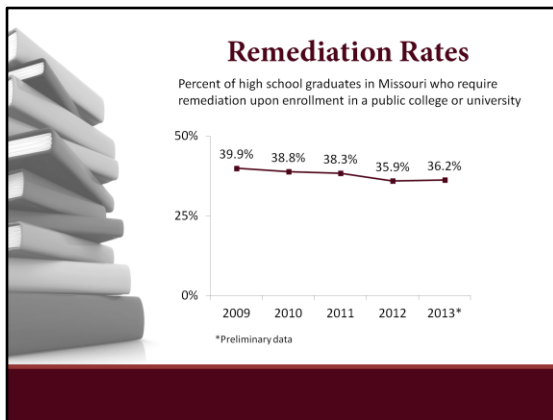
This decline should not come as a surprise, even allowing for the decline in the number of high school graduates. As the economy begins to improve, more jobs became available and a growing number of students enter the workforce after graduation instead pursuing higher education.

However, this does not diminish the need for Missouri to produce more graduates with a postsecondary credential.



The only way we can move closer to achieving our Big Goal is to increase our graduation rates.

While the percentage of Missourians with a degree continues to climb, our graduation rates have remained fairly static. About 40 percent of the state's first-time, full-time students earn an associate degree within three years or transferred to a four-year institution. The percentage of students earning bachelor's degrees within six years has edged upward to just over 56 percent.



Addressing remediation will be key to increasing our graduation rates.

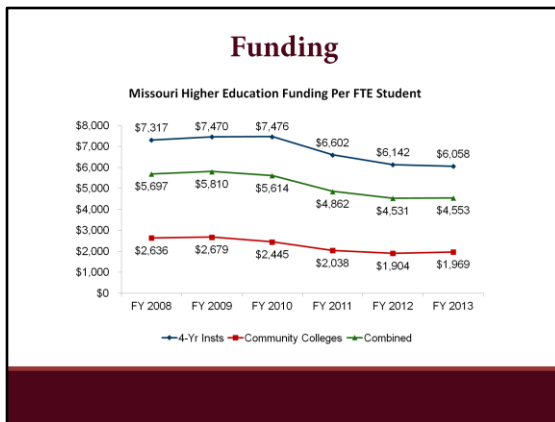
Research continues to show that students who start college in remedial classes often do not complete a degree.

Just 9.5 percent of students who must take remedial classes complete an associate degree in three years.

Slightly more than 35 percent of students taking remedial classes complete a bachelor's degree in six years.

In the past five, years, Missouri has seen a decline in remediation rates, although they did increase slightly from 2012 to 2013.

So when you pull all these numbers together, you can't help but notice that while there is measurable improvement in the indicators, the rates are flat.



More than a decade of decreased state funding for higher education continues to take a toll on Missouri's colleges and universities. This year's tax cut legislation, vetoed by Gov. Nixon but overridden by the General Assembly, certainly threatens funding in the future.

Despite these challenges, Missouri's colleges and universities continue to focus on keeping tuition rates in check. According to the College Board, tuition and fee increases at our higher education institutions have been among the lowest in the nation for the past several years.

One of our breakout discussion groups this afternoon will address the challenges of higher education finance and how our state's colleges and universities can continue to control costs and promote affordability.



With the challenges we continue to face, we must focus on opportunities that will help us improve our higher education system.

We are making progress in a number of areas. According to the State Higher Education Executive Officers Association, Missouri ranks fifth in the nation for higher education reform efforts to improve access, quality and completion of postsecondary education.



Supporting “early college” opportunities – such as dual credit classes and Advanced Placement classes – while students are still in high school is one way we can help young Missourians save money and reduce the time it takes to earn a degree.

The Department is currently reviewing and updating its academic policies, which include policies for dual credit classes.



## Expand Access

- FAFSA Frenzy
- College Application Week
- Planning and paying for college publications and presentations



We have stepped up our efforts to improve access to higher education for all Missouri students – especially those with limited financial resources and those who would be the first in their family to attend college.

Our Department sponsors FAFSA Frenzy events across the state to help students and their parents with the sometimes daunting task of filling out the paperwork necessary for financial aid. During the past decade, volunteers have assisted more than 10,000 Missouri families with completing the FAFSA.

Last year, we piloted the Missouri College Application Week program at 26 high schools. More than 2,000 students were guided through the college application process and submitted more than 3,600 applications.

We will be expanding the program this fall to approximately 60 high schools in the state.

This past year, the Department provided free presentations about planning and paying for college to more than 20,000 people. We also distributed nearly 450,000 publications to students and their families throughout Missouri.

To further support our efforts to increase access, we are also looking at expanding peer advisory programs in our high schools and creating more higher education opportunities for veterans and non-traditional students.



The departments of Higher Education and Elementary and Secondary Education recently established the Missouri Advisory Board for Educator Preparation to increase collaboration between the two departments to improve the quality of educator preparation in Missouri.

The new advisory board is comprised of 14 members and will meet at least twice annually. The board will make recommendations regarding the criteria and procedures for the evaluation and approval of the state's teacher education program.

Legislation calling for the establishment of the board was approved this year by the General Assembly.



To address Missouri's remediation rates and work toward making remedial education more effective, the Department has completed its development of best practices in remedial education. These guidelines were approved by the Coordinating Board for Higher Education last fall.

This fall, the Department will host a mathematics summit to consider options and alternate pathways for postsecondary math requirements.

This past September, the department hosted Missouri's first Completion Academy. Nine public colleges and universities spent two days developing plans to boost completion rates on their campuses.

One of today's breakout discussion groups will include representatives from several of those institutions to talk about the progress they are making and new approaches being considered or adopted.

## **Transfer Policy**

- **Transfer Course Library**

- 26 courses approved

- **Reverse Transfer Program**

- Pilot project completed

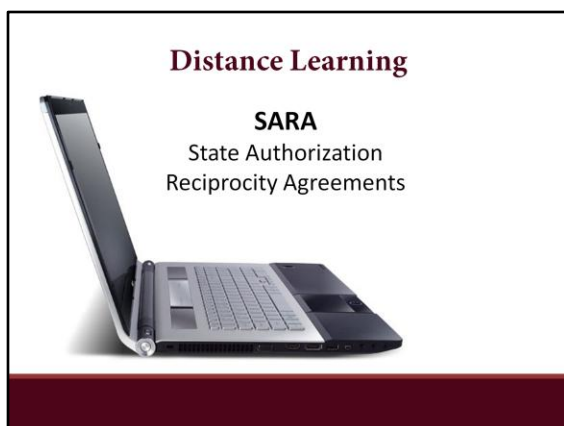
- Statewide expansion planned

We have also focused on improving the transfer of credit among institutions.

The department recently completed the initial phase of the Transfer Course Library, a group of 26 courses that can be transferred among any public two- or four-year colleges in the state as well as participating independent institutions.

Missouri's Reverse Transfer Program has created a system where every four-year public institution and participating independent institutions can transfer student credits back to any public two-year institution to be applied toward an associate degree.

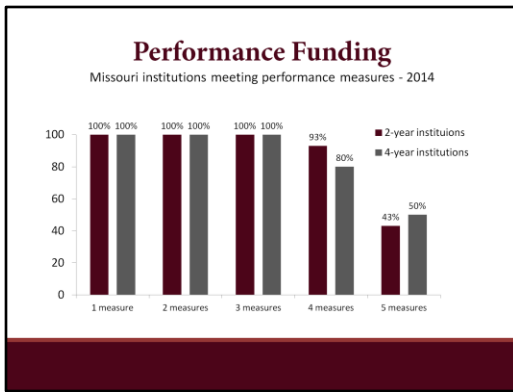
In addition to awarding associate degrees to students who have earned them, the program establishes a statewide data exchange system that will streamline communication among institutions.



Last month, the General Assembly approved legislation that will help streamline the approval process for colleges and universities offering on-line education programs. The legislation authorizes Missouri's participation to enter into interstate distance education reciprocity agreements, known as SARA.

The agreements are built on the acceptance of an institution's home state confirmation that the institution's programs meet agreed upon standards.

SARA promises to provide a more efficient, effective and uniform system for distance education programs that will be less costly for states, institutions and, ultimately, students.



While the General Assembly just last month approved performance funding legislation, Missouri has been working on this issue for several years.

In 2011, Gov. Jay Nixon directed the Department to develop a funding formula for Missouri's public colleges and universities that tied future state funding increases to performance.

The performance funding model – approved by the Coordinating Board for Higher Education in 2012 – is based on five measures. Those measures include graduation rates, retention rates, successful completion of remedial English and Math classes and financial responsibility.

Each higher education institution can earn one-fifth of its available performance funding by demonstrating success for each one of its five performance measures. This graph shows the percentage of institutions meeting the performance measures for 2014.

Fiscal year 2014 was the first year new funding for Missouri's colleges and universities was based on the performance funding measures.



The department is preparing to begin a mission review of the state’s public two- and four-year colleges and universities.

The mission review offers an opportunity to take a closer look at our higher education system to ensure that it is being responsive to Missouri’s needs, is focused, balanced and cost-effective, and provides high-quality programs.

This review is required by state statute every five years. We will be working with Missouri’s colleges and universities in the coming months to complete this process.

This review will help each institution focus on the student population it serves as part of Missouri’s coordinated statewide higher education system.

